

BUDGET SPEECH

OF

THE HON. R. G. REID

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on March 15

1927

IN THE

LEGISLATIVE ASSEMBLY OF ALBERTA

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO FINANCIAL AND GENERAL INFORMATION AND
EXTRACTS FROM PUBLIC ACCOUNTS OF
THE PROVINCE OF ALBERTA,
1926.

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BUDGET SPEECH

DELIVERED BY

HON. R. G. REID

TREASURER OF THE PROVINCE OF ALBERTA

MARCH 15, 1927

I move that Mr. Speaker do now leave the chair, and this House go into Committee of Supply for consideration of the supply to be granted His Majesty.

The essential portion of a budget is, of course, contained in the estimates of expenditure for the new fiscal period, and a statement of the revenues from which this expenditure will be met, together with a review of the financial operations of the year just past.

It is also our invariable practice to make a broad survey of the economic progress of the Province as it affects the private and business life of our people. The development of the last few years has inspired us to greater effort within the Province, as it also has brought us more prominently before the outside world as a people who are fortunate in their environment, and who are taking advantage of their natural opportunities. Information of this character cannot fail to add to the prestige and credit of the Province.

It is gratifying that I am not only able to announce a balanced budget, but that the year's operations in the Province generally have been attended by a considerable degree of success.

AGRICULTURAL CONDITIONS

The crop year of 1926 was like the preceding one in many respects. In most districts of the Province more than the average crop was harvested, but the unfavorable weather during the period of threshing resulted in greatly lowering the grade. The year as a whole, however, has not been one to complain about, and since our cultivated area is widespread, there were portions of the Province that upheld the usual reputation of Alberta not only for high yields, but for the highest quality of grain. This applies particularly to the more northerly districts, and every year that passes demonstrates the possibility of extension of the profitable grain-raising areas in this direction.

Two successive seasons of more than average yield of agricultural products have had a much needed effect on the financial standing of the people of the Province, and while the prices in

1926 were somewhat less than the previous year's for all grains, the total estimated value of all production for the year 1926 was \$263,913,260.00,* exceeding the previous year's large total of \$257,594,615.00. These are large sums to be distributed among a relatively small population in the course of two years. The result is already noticeable not only in the farming communities, but also in the whole business fabric of the Province.

DAIRYING

The dairy business of the Province showed a slight increase in production over the previous year, and the estimated value of all milk and milk products was practically \$22,000,000. Figures are given in the following table of the number of butter factories operated in the Province for the past five years, the combined butter production in pounds, and the selling value of the butter:

Year	Creameries	Lbs. of Butter	Selling Value	Cents per lb.
1922.....	54	15,417,070	\$5,126,843	33.25
1923.....	75	17,868,853	5,891,186	32.97
1924.....	89	22,339,857	7,059,630	31.60
1925.....	98	19,630,101	6,959,058	35.45
1926.....	99	20,000,000	Est. 6,600,000	33.00

The prices of dairy products were slightly lower than during 1925, particularly, perhaps, creamery butter and factory cheese, the products most directly affected by world market conditions. There was an abnormally high market level in the latter half of 1925 due to the seamen's strike in New Zealand and Australia. The average price of Alberta creamery butter in 1925 was 35.45 cents per pound at the factory, whereas, in 1926, the figures will be around 33 cents per pound, or a decrease of about 7%.

Although there was a comparatively small quantity of our creamery butter exported to Great Britain during 1926, the somewhat unusual market conditions there had a depressing effect on prices—a condition which was reflected in practically all other markets, including our home markets. These conditions were caused by heavy accumulations of butter of the 1925 season's production, following the settlement of the seamen's strike, and impaired purchasing power due to the serious coal miners' strike and general paralysis of industry during the greater part of the year.

From a statistical point of view the cheese industry is marking time. The number of factories in operation and the figures for production and value are given in the following table, for a five-year period:

Year	Cheese Factories	Lbs. of Cheese	Selling Value	Cents per lb.
1922.....	14	931,992	\$183,860	19.73
1923.....	13	1,865,608	368,771	19.76
1924.....	12	1,714,790	278,478	16.24
1925.....	13	1,473,835	306,603	20.80
1926.....	15	1,350,000	Est. 249,750	18.50

* See Statement No. 7, Pages 27 and 28.

One of the outstanding events in the dairy industry organization of the Province was the entry of the Provincial Dairy Pool into the field of dairy factory operations. It is confidently expected that the various associations of dairy producers now in the field will, through their central management and local units, make an important contribution towards the further development of a successful dairy industry in Alberta.

Exhibitors of Alberta creamery butter were again prominent among the prize winners in the butter classes at the large Canadian exhibitions in 1926, when exhibits of Alberta butter won 312 prizes out of 1968 offered, in competition with creamery butter exhibits from the other provinces of the Dominion—a total of 79 First, 120 Second, and 113 Third prizes was awarded to exhibitors from Alberta creameries.

LIVESTOCK AND POULTRY

When we turn our attention to livestock, we find that cattle prices have not yet improved to the point that would make this the profitable business it once was. It would appear, however, that with more favorable ocean freight rates assured, we may anticipate a higher price level this year. On the other hand sheep and hog raising has been extensively carried on and has been very profitable. Horses of the heavy and general purpose kinds are finding a more ready market with prospects of continued improvement.

Although it is generally conceded that 1926 was a year of lower productions in the poultry industry, the volume of business transacted by the Marketing Service shows a substantial increase over that of 1925 or of any other year since the peak in 1923, as the following summary will illustrate:

Year	Eggs	Poultry	Total
1917.....	13,000 doz.	.....	1 car
1918.....	137,900 "	59,000 lbs.	14 cars
1919.....	77,000 "	75,000 "	11 "
1920.....	169,000 "	110,000 "	19 "
1921.....	178,000 "	245,000 "	29 "
1922.....	435,000 "	557,000 "	69 "
1923.....	660,822 "	925,000 "	110 "
1924.....	335,800 "	750,298 "	90 "
1925.....	516,883 "	828,766 "	93 "
1926.....	522,658 "	996,009 "	102 "

Price levels were on the whole well maintained, particularly in regard to turkeys, which netted the producers higher prices than have ever been paid in Alberta. The Marketing Service is undoubtedly a factor in maintaining these prices. Some sixteen carloads of eggs and fifteen carloads of dressed turkeys were exported from the Province during the season, and the elimination of these surpluses from the markets of Alberta unquestionably had its effect in maintaining prices.

A considerable proportion of the total volume is now handled for the Pool. This has entailed some re-organization in the Marketing Service with a view of placing it on such a basis that it may be absorbed by the Pool whenever conditions warrant.

Service rendered to the public has been enlarged in some important particulars. Live poultry cars were loaded at 83 points within the Province, and community turkey kills and assemblies were conducted at seventeen points.

SUGAR-BEET INDUSTRY

The second year of the operation of the Canadian Sugar Factories, Limited, at Raymond, Alberta, is of interest, since the year has been a successful one financially for both the farmers and the company. While the acreage planted and the amount of beets harvested were approximately the same or slightly less than the previous year, the sugar content of beets was higher, being 16.49 in 1926 as against 14.41 in 1925. The total sugar production in 1926 was 97,000 bags as against 75,000 bags in the initial year of this industry. This would appear to be entirely due to the increased sugar content of the beets, the weather conditions evidently being favorable for the proper ripening of the crop.

Sugar-beet culture is now safely beyond the experimental stage in Southern Alberta, and should prove a valuable adjunct to irrigation farming.

	1925	1926
Acres planted	6,649	6,637
Acres harvested	5,394	5,103
Acres lost	1,255	1,534
Total tons harvested.....	41,465	37,249
Tonnage per acre harvested.....	7.68	7.29
Sugar content of beets.....	14.41	16.49
Total sugar production.....	75,000 bags	97,000 bags

In 1925 the growers were paid \$5.90 per ton for their beets. In 1926 they have already received \$6.75 per ton, with a prospect of 50 cents more on the final payment, so that they should net \$1.35 more per ton than in 1925. This is due chiefly to increased sugar content, but also in part to an increase in the price of sugar.

MINERAL PRODUCTION

The mineral production of the Province continues to show increased value, and again Alberta leads all Canada in the production of coal, crude oil and natural gas. Since our last statement new producing wells have "come in" in the Turner Valley district, and the production of petrol has thereby been greatly increased. When these four wells now producing have developed sufficiently, and provision is made for taking care of the production, the output will be in the vicinity of one thousand barrels per day. One remarkable feature connected with the production of wet gas in this field is that so far there seems to be no diminution in the flow. One Alberta well still holds the world's record for daily rate of production of naptha, and this of such a concentrated quality that it requires to be diluted before it is suitable for commercial purposes.

The total amount of mineral products in the Province for the year 1926 was valued at \$26,681,641.00, exceeding that of 1925 by \$1,362,775.00.

Product—	1925 (Revised figures)		1926	
	Quantity	Value	Quantity	Value
Non-metallic:				
Bituminous Sands . . . tons	1,145	\$ 4,594	528	\$ 2,112
Coal tons	5,869,031	20,021,484	6,499,531	20,870,186
Natural Gas . . . M. cu. ft.	9,119,500	2,752,545	10,418,697	3,041,100
Petroleum brl.	183,491	845,394	217,088	906,968
Salt tons	833	8,304	2,037	22,696
Structural Materials and Clay Products:				
Clay products		618,860		804,932
Lime bus.	98,938	39,852	108,288	39,517
Stone tons	3,979	6,868	3,579	13,890
Cement brl.		913,529	423,766	873,621
Sand and gravel . . . tons		107,436	236,284	106,619
Total		\$25,318,866		\$26,681,641

One million, three hundred and twenty-five thousand, two hundred and ninety tons of coal were sold for consumption in Alberta, 127,858 tons in British Columbia, 1,296,181 tons in Saskatchewan, 591,267 tons in Manitoba, 74,559 tons in Ontario, 221 tons in Quebec, and 48,216 tons in the United States.

There were two shale mines and 341 coal mines in operation during the year 1926, of which thirty were opened, eight reopened, and forty-two abandoned. In addition to the mines abandoned, forty-four were closed temporarily, leaving 278 mines in operation at December 31st, 1926.

TOURIST TRAFFIC

As a direct result of the highway development in the last five years, there has taken place an enormous increase in tourist traffic. Larger numbers of motor vehicles from the United States are coming into the Province every year. In addition to the contribution that is made to the revenue of the Province by way of gasoline tax, it has been estimated that last year thirty million dollars was spent in the Province by tourists. This large additional amount of money coming into the business channels of the Province must have the effect of materially improving business conditions.

There is also the benefit of the free advertising secured when these people return to their homes.

PUBLIC ACCOUNTS

Coming now to the purely financial portion of our statement, you have already been furnished with most of the details.

Public Accounts of the Province for the year 1926 show a surplus of ordinary revenues over expenditures as already announced of \$17,800.53. *

* See Statement No. 6, Page 26.

The surplus estimated at the beginning of last year was \$21,-989.46, so that the actual results are \$4,188.93 less than estimated. On the basis of accounting methods in force up to the end of 1923 the surplus for the year would have been \$220,942.10.

Revenue on Income Account for 1926 was \$11,912,128.27 against an estimated revenue of \$11,699,852.39, showing an excess of \$212,275.88 over what we expected.

Expenditure amounted to \$11,894,327.74 against the estimate of \$11,677,862.93, an increase of \$216,464.81.

On the estimates of expenditure submitted to the Legislature at its last Session, there was a net over-expenditure amounting to \$216,464.81. This may be summarized as follows:

	Balance Legislative Appropriations	Additional Expenditure under Special Warrants	Net Under or Over Expenditure
Public Debt	\$ 2,159.05	\$156,224.70	\$154,065.65
Executive Council	8,283.14	22,678.29	14,395.15
Legislation	7,007.41		7,007.41
Agriculture Dept.	10,295.26	20,877.19	10,581.93
Attorney General's Dept.	213.44	46,374.99	46,161.55
Education Dept.	19,705.25		19,705.25
Municipal Affairs Dept.	16,848.71		16,848.71
Provincial Secretary's Dept.		37.34	37.34
Public Health Dept.	23,379.83	28,267.10	4,887.27
Public Works Dept.	20,786.20	55,922.81	35,136.61
Railways Branch	366.40	442.28	75.88
Treasury Dept.	17,526.02	12,210.82	5,315.20
	\$126,570.71	\$343,035.52	\$216,464.81

Figures in italic refer to "Net Under."

Expenditure under special warrants, unforeseen at the time the estimates were passed by the Legislature, consists principally of interest on Debenture Debt and Savings Certificates; expenditure incurred through moving settlers from dry areas; increased expenditure under The Mothers' Allowance Act; grants to hospitals; unemployment relief; expenditure on ferries and highways, and sundry other charges set forth in detail in statement No. 8 of the Public Accounts.

REVENUE

The actual results show an increase over the estimates of \$212,275.88, summarized as follows:

Particulars—	In Excess of Estimates	Less than Estimates
Dominion of Canada	\$ 89,566.36	
Agriculture Department		\$ 51,680.71
Attorney General's Department	103,704.84	
Education Department	24,832.94	
Executive Council	3,773.04	
Legislation		760.77
Municipal Affairs Department		177,253.63
Provincial Secretary's Department	173,894.35	
Public Health Department		23,470.08
Public Works Department		24,224.93
Railways Branch		265.61
Treasury Department	94,160.08	
	\$212,275.88 (net)	

Revenue received from the Dominion of Canada in connection with the interest on school lands funds show an increase over the estimates of \$89,566.36; miscellaneous revenues of the Department of Agriculture decreased by \$51,680.71; liquor profits realized \$211,332.61 in excess of the estimates, but succession duties fell short by \$76,388.75.

The increase in revenue of the Department of Education was due to the additional amount received from the Dominion Government in connection with technical education.

Municipal Affairs revenue was less by \$177,253.63 through the decrease in wild lands and supplementary revenue taxes.

Automobile licenses, etc., accounted for the substantial increase in the revenue of the Provincial Secretary's Department. Amusement taxes were \$24,101.55 short of the amount shown in the estimates.

Revenue of the Public Health and Public Works Departments was short of the estimates by \$23,470.08 and \$24,224.93 respectively, through the decrease in institutional revenues.

The increased revenue of the Treasury Department is due to interest and profits on investments.

Accounts payable at December 31st, 1926, were charged to the expenditure of that year. They amounted to \$1,327,511.12 as compared with \$1,124,369.55 at the end of the year 1925. By providing for these accounts the cash surplus, \$220,942.10, was reduced to the true surplus of \$17,800.53.

Revenue collected in 1926 in respect of 1927 business amounted to \$430,274.08, and was excluded from the 1926 accounts.

During the past fiscal year certain changes were made in the method of compiling the Public Accounts of the Province, with the object of giving more information regarding departmental expenditures. Under the new plan, the accounts show, for the Government as a whole, and for each Department of the Government, a complete summary of expenditure by appropriations, and the distribution of such expenditure under suitable headings. The information thus presented should prove of considerable value to the members of this Legislature as well as to all students of public affairs.

PUBLIC DEBT *

The net bonded debt of the Province during the past year was increased by \$5,005,773.79.

In the year just past, the Province negotiated the sale of \$11,046,000 worth of bonds, of which \$5,610,741 was for refunding purposes.

The prices received were more favorable than in any previous year since the year 1913, being on an average yield basis of 4.96%. This year's financing promises to be still lower, our most recent issue selling on a basis of 4.87%. The tendency seems to be towards still lower interest rates and I have no doubt that in

* For statement of Bonded Debt, see Statements Nos. 3, 3a, Pages 22 and 23.

a short time the Province will be able to float its debentures at a par $4\frac{1}{2}\%$ rate. With the balance of trade so much in favor of Canada, and the immense value of our exports in comparison with the relatively small population of the Dominion, there is bound to be an increasing amount of Canadian money available for investment. This will inevitably result in our being able to find funds within Canada for all reasonable needs, and at low interest rates.

SAVINGS CERTIFICATES

Closely related to our bond sales are the sales of Alberta Savings Certificates, which in the year just past produced a net sum of \$2,433,225.82 with gross sales of \$10,453,853.64.

The Provincial Savings Certificates Act was passed in the Session of 1917 with the two-fold object of—

- (1) Obtaining money at a cheaper rate of interest than the prevailing high rate then current;
- (2) Encouraging thrift by a simple system of saving, giving the people a high interest return on their daily balances with the Government (as represented by Savings Certificates).

The original rate of interest paid under this method was 5% compounded. The compounding feature was abandoned on January 1st, 1921, on account of the fact that this added materially to the overhead, which at that time exceeded $\frac{1}{2}$ of 1%. From that date to July 1st, 1922, the rate was 5% simple interest. It was then found advisable to make a reduction to $4\frac{1}{2}\%$ simple interest, as the Province was able to obtain money at that time cheaper than when the Act was originally passed.

On December 31st, 1926, nearly forty million dollars' worth of certificates had been issued, without resultant loss to the Province, or to depositors.

The cost of the Savings Department has been steadily reduced every year and where it originally was over $\frac{1}{2}$ of 1%, last year's cost reached the new low level of .1398%. A study of comparative costs here and elsewhere, shows that our ratio of overhead is by far the most favorable, and it is for this reason that we have been able to pay higher interest rates than those obtaining under similar plans of investment.

SPECIAL INVESTMENT FUND

There is one feature in the activities of the Treasury Department to which I should like to call attention. This is the establishment of a Special Investment Fund. A full statement, showing the operations of this fund, forms part of the Public Accounts, which have been laid before you. (Statement No. 90). While this fund shows a profit for the year of some thirty-five thousand dollars, its main purpose is to create a fund which can be used for the purchase of public securities in advance of the requirements of the Sinking Fund. Since bond values have steadily increased in the past three or four years, and yield rates consequently reduced, the establishment of this fund has assisted in increasing the yield rates of the Sinking Fund, and incidentally

making a profit which is not at all negligible. Its continuance has been made possible by the large deposits in Savings Certificates, against which at the same time it forms a reserve.

MAILING BRANCH

Over a year ago a Central Mailing Branch was inaugurated in the Treasury Department to establish central control and efficiency in this work. A metered mailing machine was installed similar to those in use in some of our largest business institutions. As a result of this change, the Government has saved approximately five thousand dollars per annum, including certain staff reductions made possible by the adoption of the new system.

SUPERVISION OF PURCHASES

In 1925 I was able to report an estimated saving through the supervision of purchases of approximately one hundred and fifty thousand dollars in that year. While this saving has been maintained in 1926, a further \$50,000 has been added through extending the supervision to other institutions.

Most of this saving was made by eliminating the spread between wholesale and retail prices, but savings have been also effected by a close checking up on the sales tax, excise tax, contracts and cash discounts.

This branch of the Treasury Department is operated by an Acting Supervisor of Purchases with occasional assistance, the total overhead not exceeding \$2,000 per annum.

CO-OPERATIVE CREDIT ACT

Thirty-three societies were in full operation under The Alberta Co-operative Credit Act during the year 1926, of which two were formed during the past year. One society was disbanded, having paid up all its loans.

The advances made through the societies during the year amounted to approximately \$1,000,000, the unpaid balance as at 31st December, 1926, amounting to \$454,287.62, showing a repayment of approximately fifty-five per cent. This amount is secured by share capital of the members, of which \$86,395.37 is invested with the Government; a central reserve account, amounting to \$7,522.71; local reserve accounts built up by each society; liens on crops grown or to be grown by the members; chattel liens; land liens covering the interest that the member may have in lands occupied; wheat pool certificates covering the interim and final payments of wheat shipped through the wheat pool; occasional car-loads of wheat in transit, etc. These safeguards make the loans for the most part sound.

The amount of the unpaid balance may be accounted for to a large extent in the following manner: According to the Act, a society may terminate its financial year anywhere from the 30th of November to the 31st of March. The southern societies have preferred the 30th of November, having made every effort to pay all their obligations, and during December have acquired new

loans as against the 1927 financial year. The societies in the north have declared their year to end as at the 31st of January and the 31st of March, in order to allow the coarse grain to be fed to stock marketed during the winter months. In some cases, farmers have purchased cattle in the late fall to use up the roughage around the farm and be sold in the spring. As before mentioned, the wheat pool certificates will substantially reduce the balances. Taken as a whole, the year's operations under the Act have been satisfactory.

The aim of the individual societies, as well as the Association of Co-operative Credit Societies, seems to be to build up local and central reserve accounts, sufficient to carry on co-operative credit societies without the guarantee of the Government. This in time may materialize.

ESTIMATES 1927 AND 1928. *

The revenue and expenditure for the fifteen months' period which is covered by the Estimates, now before the House, are divided into two parts: 1st, The twelve months' period of the calendar year 1927, and the first three months ending March 31, 1928. The estimated revenue for the period ending December 31, 1927, is \$12,501,046.54. The estimated expenditure for the same period is \$12,474,868.05, leaving an estimated surplus for the calendar year 1927 of \$26,178.49. For the second period into which the estimates are divided, being the first three months of 1928, the estimated revenue is \$3,158,361.10, and the estimated expenditure \$3,137,650.17, a surplus of \$20,710.93 for the three months, so that the total surplus for the fifteen months' period ending March 31, 1928, will be \$46,889.42.

On the expenditure side we find that our estimate for the calendar year 1927 exceeds that of the year 1926 by \$580,540.31, made up as follows: Public Debt, which is uncontrollable, exceeds 1926 by \$413,342.21. There is a saving on the Executive Council of \$140,022.65 on the expenditure of the year 1926, the election accounting for the difference. On legislation there will be a slight advance of \$12,488.14 due to increase in the total of the indemnity and travelling expenses of Members. There is also a greater expenditure provided for in the Agriculture Department amounting to \$34,023.80. This is due chiefly to the general growth of the Department and particularly schools of agriculture. The Attorney General's Department will show a larger expenditure by \$43,851.20. This is accounted for in great part as follows: \$25,475.70 increase in Mothers' Allowance and \$13,657.16 in the Alberta Provincial Police. Under Education there will be additional expenditure of \$119,029.03 due to an increase in school grants of \$94,541.38, and \$33,900.00 in grants to the University. Municipal Affairs requires some \$25,570.71 more than in the previous year, the result of certain adjustments between capital and income. The Provincial Secretary's Department is only slightly increased and the Department of Public Health will need \$82,792.73 more than in 1926. Public Works Department will show a saving of a few thousand dollars. The Railways Branch is about the same as in 1926. The Treasury Department shows a reduction of \$13,089.33.

* See Statement No. 6, Page 26.

On the revenue side for the year 1927, the estimated revenue is \$12,501,046.54, an increase over last year's actual of \$588,918.27. This is accounted for by the following details: From the Dominion Government, including Dominion subsidy, we shall receive \$15,059.16 less than last year owing to certain adjustments following the recent census. The Agriculture Department is estimated to produce \$49,798.68 more than in 1926, due mostly to an expected increase of \$5,729.00 in the fur tax and to fur farm leases which are estimated to produce \$27,000.00. In the Department of the Attorney General there should be an increase of \$181,685.16, mainly on account of an increase in Succession Duties of approximately \$85,000.00, and in liquor profits of \$60,000.00. In the Education Department there will be a falling off of revenue of \$24,732.94 through a decrease in Dominion Subvention Technical Education Act of about \$21,800.00, and a decrease in interest on loans to school districts of \$7,450.00. The Executive Council office is also less than the previous year by \$67,949.20, accounted for by a decrease in the Mine Owners' Tax of \$73,603.73. The Legislative Assembly shows a small increase. In the Municipal Affairs Department there is a decline in revenue of \$7,746.37. The Provincial Secretary's Department will show a considerable increase due to the new pari-mutuel tax, which is expected to produce \$100,000.00, and an increase in the gasoline tax of .01c per gallon, which will account for a further increase of \$250,000.00. The Public Health also expects an increase of \$47,605.08, accounted for by an increase of \$15,000 to be received from travelling clinics, and also a further increase of maintenance receipts from the Central Alberta Sanatorium of approximately \$19,000.00. In the Public Works Department there is an expected increase of \$6,126.09. The Railways Branch is about the same as previous years, while the Treasury Department shows an increase of \$35,845.11, accounted for chiefly by an increase in interest and profits on investments of about \$26,500.00.

I need not recite the main items making up the three months' period of 1928, as this is not a complete fiscal period and comparison with the same period of previous years are therefore unimportant. These are the main facts in connection with this year's Budget, and I am glad to say that we are once more able to estimate for a surplus. This result, however, has not been brought about without much paring of Votes, and even after the controllable expenditure had been reduced to the lowest possible amounts necessary to the various services of the Government, additional revenue had to be found in order to make a balance.

CAPITAL EXPENDITURE 1927-8

On Capital account the various Departments of the Government will require the total sum for the calendar year ending December 31, 1927, of \$5,463,821.82, a decrease of \$354,069.93 from the actual Capital Expenditure of the year 1926. In addition a further sum of \$1,088,688.25 will be required for the first three months of 1928.

On the revenue side the Capital receipts in all Departments will amount to \$3,092,054.24 for the calendar year 1927, as against \$3,865,539.16 for the year 1926, showing a decrease of

\$773,484.92. For the three months' period of 1928 the receipts are expected to reach \$701,300.00. This would show an amount of \$2,759,155.83 to be financed in the current year by Capital borrowings.

The Telephones Capital requirements amount to \$650,000.00, which it is expected will be financed out of funds on hand.

TAXATION

The estimated additional revenue from increased and new taxation this year amounts to \$350,000.

I think it may be said that there is no more logical place to find revenue for the building and maintenance of roads than from an increase in the gasoline tax. One must remember that additional revenue is necessary, not only for new highways but to meet the larger capital debt charges in connection with the heavy construction of the last few years.

You will recall that The Main Highways Act of 1924 provided for a full sinking fund for the extinction of bonds issued under this Act, in a term of fifteen years. Perhaps it is not realized exactly what this means, in the way of provision for sinking funds. To set up this sinking fund it is necessary to put aside annually an additional 4.8%. Therefore, public debt charges on this account call for a contribution of interest and sinking fund of close to 10%.

The tax on pari-mutuel machines is hardly subject to criticism, as it has been in force in many provinces for years. Neither can it be argued that it imposes any great burden on the people from whom the tax is collected.

From the latest figures compiled by the Citizens' Research Institute of Canada, the percentage taxation bears to production in the Province of Alberta in recent years is less than in any other province west of Quebec, notwithstanding the large calls that have been made on us on account of inherited obligations, among which the railways are outstanding. Here we have a Provincial Government assuming and carrying a burden that is purely Federal. This load is becoming so onerous that it is interfering with the legitimate development of the Province in other directions. It should, therefore, be apparent to the Government of Canada that some relief should be forthcoming.

With the people of Alberta carrying a per capita debt of \$33.23 for railways; with addition to the bonded debt annually of \$2.36 per capita, and with \$1.47 per capita from the current revenues of the Province being absorbed for this single service of railways, one marvels at the continuance of this manifest injustice.

Despite the fact that full publicity has been given to the reduction in supplementary revenue tax last year, for some unexplained reason it seems that this has not been entirely understood. The statement has been made again and again that there has been a reduction of over 30% in the new equalized assessment, and as there has been no change made in the mill rate which is levied under The Supplementary Revenue Tax Act, it is clear

that there is a reduction in our revenues from that source, to the extent of 30%. The total equalized assessment of the Province in 1921 amounted to \$725,886,555, which, at two mills, earned an annual revenue of \$1,451,773. The new assessment of 1926 totals \$505,205,040, with a corresponding yield of \$1,010,410. It can be seen that this translates itself into an annual reduction in taxation amounting to \$441,363. This is considerably more than the new increases now proposed.

There is an area in the south where assessments have been reduced about 80%, apparently a fairly tangible reduction, and yet in the face of all this, we are being criticized for not making reductions in this tax similar to those being made elsewhere, when the fact is that we have gone farther than is proposed in any other western province.

I have dealt previously with the estimates for the present fiscal period. Any analytical study of the contemplated increase must disclose that the largest contributing factor to this increase is found in the Public Debt. Some people may say that the remedy is simple and obvious, namely, that we should cease to borrow for anything other than refunding.

If we abstain from further borrowing, we must also terminate all capital expenditures, or make provision for raising sufficient revenue out of income account, to take care of these expenditures which are now charged to capital. Unfortunately, many of our capital expenditures are fixed by the policies of the past, such as Seed Grain and Relief, Live Stock Encouragement Act and Railways. Practically the only capital expenditures, which are controllable, are those connected with the construction of roads and bridges, and in this connection the demand is not for less expenditure, but for more.

In the question of borrowing for railways, we not only face heavy commitments for the future, but in increasing amounts. It is strange to hear people advocating: first, that we should reduce the public debt; second, that we should reduce taxes; and third, that we should increase expenditures. Let anyone apply these three principles, simultaneously, to his business or to the conduct of his private affairs, and we know to what it would bring him—and that, very quickly.

Odd as it may seem, some people today think that Governments are not controlled by the same inexorable laws as pertain to commercial life, and that in some occult way a Government may collect less money, spend more money and at the same time reduce debt.

SINKING FUND

In connection with sinking funds, we find comparisons being made which attempt to show this Province in a poor light, although a survey of what is being done in other Provinces in this connection in most instances shows that they fall far short of the allotments being made in Alberta. In the year 1913 a sinking fund on the basis of $\frac{1}{2}$ of 1% in this Province was established. This has been adhered to faithfully, from that time, and in the case of highway bonds, the calculation is made for complete retirement in fifteen years, making an annual provision of 4.8%.

Of other Canadian Provinces there is only one where a greater amount is provided, and in some it is very much less. In one Western Province a good deal has been made of the fact that it has placed its repayments of capital money in the sinking fund. In this Province it has been the practice always to decrease the borrowings by the amount of the capital repayments, so that there is no difference whatsoever in the effect of these two policies, excepting as to method.

On the other hand, in the Province just referred to we find that from the beginning of the year 1922 to the end of 1926, with a total bonded debt of some \$57,000,000, the total sinking fund appropriation amounts to \$371,109.70, while in Alberta, with a total debt of \$86,894,665.62, \$1,891,829.39 has been placed in sinking fund, and this despite the fact that the Province in question is being held up to us as an example which we should emulate.

It is extremely desirable that we should be thoroughly informed in these matters, so that we may not criticize our own Province without justification, and on the basis of misleading information.

IMMIGRATION

Much has been said on the question of immigration, opinions differing widely as to its actual necessity. There can be no doubt, however, that while artificial aids to immigration are full of danger, every citizen who has a settled occupation and especially one in a position to produce new wealth of any kind represents an actual cash value to the Province. It has been said "Reduced to an economic formula, human life remains a much more important asset to a community than all its material possessions." The only problem is to see that those who are to make their homes in the Province come with a full knowledge of the conditions, and with the understanding that they are not to be assisted by state aid. Special efforts, however, must be made to see that these new-comers are properly incorporated into the social life of the Province and that they shall not become a public charge. It is to this end that the Provincial Government is co-operating with the Dominion and all other immigration organizations in the endeavor to encourage the settlement of our vacant lands.

CONCLUSION

And now, Mr. Speaker, we have dealt with a great many topics, of varying interest, and before concluding, I should like to make reference to an incident which has occurred in the past year, which already has received a great amount of attention. I refer to the double honour secured to this Province in the winning of the wheat and oats championships at the Chicago Fair.

To my mind it is not of so much importance that these two coveted rewards come to the same Province or the same farmer. It is true this breaks all precedent, and the Province of Alberta is justly proud of this achievement, but what is more significant is that the eyes of the agricultural world have been directed to one portion of our Province—the Peace River country—which is eminently suited to the production of the finest quality of

grain, and we should like to say that the area in which this grain is produced is a large one, and can accommodate many thousands of settlers.

This incident, too, may have a still greater effect, namely: to bring to the attention of the Dominion Government the urgent necessity of providing an outlet for this northern granary, which this Province has attempted to supply with railway facilities, but which still requires a more direct outlet to the coast for the shipment of its surplus products. This then, may be the beneficent result of the publicity that has been brought to this district, and when this work has been undertaken and completed millions will be added to the natural wealth of the Province, and the markets of the world will be linked up with a new area of production, and this is only one corner of seventy-two million acres of land capable of agricultural development.

We are, indeed, as has been said, a Province to be envied. With 72% of the coal resources of the British Empire, with thousands of square miles of the Province underlaid with petroleum deposits, with this Province leading the Dominion in the production of natural gas, with sixty thousand square miles of merchantable timber, containing pulp wood of the finest quality, with illimitable water powers, with miles of bituminous sands stretching along one of our northern rivers, and with extensive shale and clay deposits, building stone and salt abundant in other parts of the Province; with inland fisheries that are worth nearly a million dollars annually—with all these resources, and those that remain yet to be uncovered, this Province bids fair, not only to hold its place among the leading agricultural areas of Canada, but to become, perhaps, the richest and most varied in natural resources of any Province in the Dominion of Canada. We are justified, I think, in talking of these things and in looking forward with confidence to a time when this Province will find the means for its full development; but, as has been said many times, we need a larger population to develop it, a population of the right kind, capable of making a place among those of our pioneers that from time to time have directed the way. Let us have settlers who can pass the test of average intelligence, who are capable of hard work and of sticking to the land. When we have absorbed more of this type of citizen, problems that now seem insurmountable will disappear.

STATEMENT No. 1

GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF THE ESTIMATED REVENUE AND
EXPENDITURE FOR 1927 AND FOR THE THREE MONTHS
ENDING MARCH 31, 1928, WITH ACTUAL FOR 1926

INCOME ACCOUNT

DETAILS	Estimates for 12 Months ending Dec. 31, 1927	3 Months ending Mar. 31, 1928	Compared with Estimates for the Year 1926	Actual for the Year 1926
Revenue—				
Dominion of Canada.....	\$2,373,942.20	\$1,011,971.10	\$2,299,435.00	\$2,389,001.86
Agriculture Department	349,987.97	77,635.00	351,870.00	300,189.29
Attorney General's Dept....	3,350,550.00	668,510.00	3,065,160.00	3,168,864.84
Education Department	209,860.00	31,610.00	209,760.00	234,592.94
Executive Council	278,995.00	60,835.00	351,220.00	346,944.20
Legislation	3,425.00	25.00	2,000.00	1,239.23
Municipal Affairs Department	1,991,500.00	325,000.00	2,176,500.00	1,999,246.37
Provincial Secretary's Dept..	3,072,073.98	795,400.00	2,516,785.19	2,690,679.54
Public Health Department...	279,975.00	60,000.00	255,840.00	232,369.92
Public Works Department..	68,400.00	12,000.00	78,450.00	62,273.91
Railways and Telephones				
Dept. (Railways Branch)..	1,000.00	.....	1,500.00	1,234.39
Treasury Department	521,337.39	115,375.00	391,332.20	485,492.28
	<u>\$12,501,046.54</u>	<u>\$3,158,361.10</u>	<u>\$11,699,852.39</u>	<u>\$11,912,128.27</u>

Railways and Telephones

Dept. (Telephones Branch)	\$ 3,382,000.00	\$ 840,600.00	\$ 2,699,000.00	\$ 3,090,345.09
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Expenditure—

Public Debt	\$ 4,649,679.40	\$1,077,830.00	\$4,082,071.54	\$4,236,337.19
Executive Council	337,969.00	63,621.50	463,655.00	477,991.65
Legislation	187,387.39	154,115.00	181,806.66	174,899.25
Agriculture Department ...	644,776.23	173,426.75	598,660.50	610,752.43
Attorney General's Dept....	1,533,201.00	407,074.25	1,440,238.25	1,489,349.80
Education Department	2,220,975.78	505,037.50	2,119,252.00	2,101,946.75
Municipal Affairs Department	237,562.00	50,807.00	227,590.00	211,991.29
Provincial Secretary's Dept..	58,220.00	26,516.25	54,400.00	54,912.34
Public Health Department..	1,011,984.00	371,407.50	923,344.00	929,191.27
Public Works Department..	1,315,804.00	237,393.50	1,280,293.00	1,317,913.31
Railways and Telephones				
Dept. (Railways Branch)..	46,630.00	11,668.50	45,048.00	45,273.88
Treasury Department	230,679.25	58,752.42	261,503.98	243,768.58
	<u>\$12,474,868.05</u>	<u>\$3,137,650.17</u>	<u>\$11,677,862.93</u>	<u>\$11,894,327.74</u>

Railways and Telephones

Dept. (Telephones Branch)	\$ 3,361,663.18	\$ 840,415.79	\$ 2,857,090.00	\$ 3,090,345.09
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STATEMENT No. 2

GOVERNMENT OF THE PROVINCE OF ALBERTA

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1926.

ASSETS		LIABILITIES	
CAPITAL ACCOUNT—		CAPITAL ACCOUNT—	
Public Buildings and Public Works.....	\$29,658,704.59	Bonded Debt	\$86,894,665.62
Alberta Government Telephones:		Less: Sinking Fund, Cash and Investments	2,425,058.30
Plant	\$17,857,230.34		<u>\$84,469,607.32</u>
Inventory and Supplies.....	467,804.04	Sinking Fund Reserve.....	\$ 2,425,058.30
	<u>\$18,325,034.38</u>	Less: Contributed by United Grain Grow-	
Unprofitable Extensions	2,311,473.44	ers, Ltd.....	432,286.41
	<u>20,636,507.82</u>		<u>1,992,771.89</u>
Railways	18,285,704.77	Superannuation Fund	592,288.95
Repayable Advances and Loans.....	6,683,001.40	Miscellaneous Liabilities	183,460.13
Advances under Lethbridge Northern Colonization Act	1,304,102.99	Accounts Payable	88,458.30
Investments	306,368.43	Bank Overdrafts	459,342.97
Miscellaneous Assets	900,582.85	Reserves	751,073.12
University of Alberta.....	4,113,919.37	Capital Surplus	1,713,397.63
Intangible Assets	6,128,557.97		
Due by Trust Account.....	17,649.99		
Due by Income Account.....	2,215,300.13		
	<u>\$90,250,400.31</u>		<u>\$90,250,400.31</u>
Dominion Subsidies	\$32,572,764.00	Surplus Arising from Capitalization of Subsidies and	
School Lands	46,288,012.51	School Lands.....	78,860,776.51
	<u>\$169,111,176.82</u>		<u>\$169,111,176.82</u>

INCOME ACCOUNT—	
Cash	\$ 665,436.87
Special Investment Fund	2,713,330.41
Arrears, Assessed Taxes	3,489,723.01
Accounts Receivable	947,062.05
Equipment, Stores and Materials	1,272,216.89
Interest Receivable	316,395.32
Prepaid Expenses	99,825.61
Intangible Assets	391,075.99
Due by Trust Account	4,675.45
Excess of Income Liabilities over Income Assets	4,543,419.95
	<u>14,443,131.55</u>
TRUST ACCOUNT—	
Cash	\$2,332,067.87
Investments	1,829,195.74
Arrears, Assessed Taxes	1,130,624.83
Accounts Receivable	17,016.98
	<u>5,308,905.42</u>
	<u>\$188,863,213.79</u>
INCOME ACCOUNT—	
Due to Capital Account	\$ 2,215,300.13
Savings Certificates	10,109,047.32
Accounts Payable	322,965.85
Interest on Bonded Debt, accrued but not due	\$1,006,417.23
Interest on Savings Certificates	305,586.83
Sinking Fund contributions accrued but not due	299,571.52
	<u>1,611,575.58</u>
Unearned Revenue	124,242.67
Reserves: Alberta Liquor Control Board	60,000.00
	<u>14,443,131.55</u>
TRUST ACCOUNT—	
Sundry Trusts	\$5,286,579.98
Due to Capital Account	17,649.99
Due to Income Account	4,675.45
	<u>5,308,905.42</u>
	<u>\$188,863,213.79</u>
Contingent Liabilities	\$25,412,687.74*

Edmonton, February 28, 1927.

The above Consolidated Balance Sheet is in agreement with the books of the Government of the Province of Alberta as at December 31, 1926. With the exception of the Sinking Fund Reserve, no provision has been made for depreciation of Capital Assets, which are shown at original cost. Arrears of assessed taxes, capital advances, and accounts receivable are subject to realization.

I certify that, in my opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the Province at December 31, 1926.

JAMES C. THOMPSON, C.A.,
Provincial Auditor.

* See Statement No. 5, Page 25.

STATEMENT No. 3.
GOVERNMENT OF THE PROVINCE OF ALBERTA
STATEMENT OF BONDED DEBT AS AT DECEMBER 31, 1926

Date of Issue.	Date of Maturity.	Amount.	Int. Rate.	Sinking Fund.			Net Debt.	
				General Revenue	Telephones		General Revenue	Telephones
June 1, 1908	June 1, 1938	\$2,000,000.00	4%	\$ 11,888.00	\$ 2,000,000.00	\$ 183,048.50	.....	\$ 1,817,151.50
Converted Stock	Nov. 1, 1942	56,840.00	4%	1,959,576.95	43,552.00	3,988.72	.....	41,563.28
Registered Stock	Nov. 1, 1943	3,265,961.60	4 1/4%	138,333.34	1,306,384.65		1,785,376.07	1,922,821.90
Nov. 1, 1914	Nov. 1, 1943	825,000.00	4 1/4%	125,000.00	53,333.34	254,200.88	1,785,376.07	1,922,821.90
Nov. 1, 1918	Nov. 1, 1943	1,000,000.00	6%	1,000,000.00	700,000.00	6,393.46	1,785,376.07	1,922,821.90
Jan. 1, 1919	Dec. 15, 1929	1,000,000.00	5 1/2%	1,000,000.00	1,000,000.00	43,611.34	956,388.66	664,717.88
Dec. 15, 1919	Dec. 15, 1929	1,000,000.00	5 1/2%	1,000,000.00	1,000,000.00	72,611.34	956,388.66	664,717.88
May 1, 1920	Aug. 16, 1930	1,000,000.00	6%	1,000,000.00	1,000,000.00	36,243.79	1,927,482.74	964,253.44
Aug. 16, 1920	Aug. 16, 1930	1,000,000.00	6%	1,000,000.00	1,000,000.00	36,243.79	963,756.21	964,253.44
Nov. 1, 1920	Nov. 1, 1930	1,000,000.00	6%	1,000,000.00	1,000,000.00	35,776.92	963,756.21	964,253.44
Nov. 1, 1921	Jan. 15, 1936	1,000,000.00	6%	1,000,000.00	1,000,000.00	35,776.92	963,756.21	964,253.44
April 1, 1921	April 1, 1936	3,200,000.00	6%	3,200,000.00	1,000,000.00	29,345.44	970,654.56	964,253.90
May 1, 1921	May 1, 1931	1,000,000.00	6%	1,000,000.00	1,000,000.00	29,345.44	970,654.56	964,253.90
Sept. 1, 1921	Sept. 1, 1931	2,100,000.00	6%	2,100,000.00	2,200,000.00	63,785.10	971,058.62	2,136,214.90
Sept. 1, 1921	Sept. 1, 1941	2,250,000.00	6%	2,250,000.00	.....	.....	970,553.77	.....
Oct. 1, 1921	Oct. 1, 1941	1,800,000.00	6%	1,800,000.00	1,800,000.00	66,230.23	2,038,173.77	.....
Oct. 1, 1921	Oct. 1, 1941	1,053,230.68	6%	1,053,230.68	1,053,230.68	52,270.53	2,188,749.77	1,747,729.47
Nov. 1, 1921	Nov. 1, 1936	1,250,000.00	6%	1,250,000.00	.....	30,582.65	1,022,648.02	1,022,648.02
Dec. 1, 1921	Dec. 1, 1947	700,000.00	6%	700,000.00	.....	7,247.44	970,605.44	242,752.56
Jan. 1, 1922	Jan. 1, 1947	3,845,000.00	5 1/4%	3,845,000.00	.....	8,129.86	407,634.91	271,870.14
April 1, 1922	April 1, 1927	3,500,000.00	5 1/4%	3,500,000.00	2,000,000.00	42,452.31	1,803,547.69	1,954,615.93
July 1, 1922	July 1, 1927	3,500,000.00	5 1/4%	3,500,000.00	.....	61,990.76	2,931,009.24	.....
Sept. 1, 1922	Sept. 15, 1942	2,948,000.00	5 1/4%	2,948,000.00	1,600,000.00	166,064.21	3,333,035.79	1,563,692.74
Jan. 1, 1923	Jan. 1, 1948	4,800,000.00	5%	4,800,000.00	2,218,275.59	3,198.78	300,801.22	2,167,938.38
July 1, 1923	July 1, 1943	3,500,000.00	5%	3,500,000.00	.....	16,781.40	4,719,635.55	1,966,929.15
Nov. 1, 1923	Nov. 1, 1928-38	6,000,000.00	5 1/2%	6,000,000.00	2,000,000.00	80,364.45	1,474,886.11	.....
Jan. 15, 1924	Jan. 15, 1939	500,000.00	5%	500,000.00	.....	25,113.89	1,966,514.81	.....
Feb. 15, 1924	Feb. 15, 1940	500,000.00	5%	500,000.00	.....	33,485.19	5,799,132.60	.....
June 1, 1924	June 1, 1939	750,000.00	5%	750,000.00	.....	200,857.40	2,472,981.83	.....
July 1, 1924	July 1, 1939	750,000.00	5%	750,000.00	.....	27,018.07	494,596.39	.....
Sept. 1, 1924	Sept. 1, 1939	250,000.00	5%	250,000.00	.....	5,403.61	1,978,385.55	.....
Oct. 1, 1924	Oct. 1, 1939	250,000.00	5%	250,000.00	.....	21,614.45	672,798.66	.....
Nov. 1, 1924	Nov. 1, 1939	250,000.00	5%	250,000.00	.....	77,201.34	247,298.19	.....
Dec. 1, 1924	Dec. 1, 1939	250,000.00	5%	250,000.00	.....	2,701.81	247,298.19	.....
Jan. 1, 1925	Jan. 1, 1950	1,000,000.00	4 1/2%	1,000,000.00	468,000.00	10,807.23	989,192.77	465,586.29
June 1, 1925	June 1, 1955	130,000.00	5%	130,000.00	.....	17,292.25	3,254,774.75	.....
July 1, 1925	July 1, 1955	500,000.00	5%	500,000.00	.....	684.38	129,315.62	.....
Feb. 1, 1925	Feb. 1, 1945	2,250,000.00	4 1/2%	2,250,000.00	.....	2,832.22	497,367.78	.....
July 1, 1925	July 1, 1945	750,000.00	4 1/2%	750,000.00	.....	11,844.99	2,238,155.01	.....
Jan. 1, 1926	Jan. 1, 1956	6,000,000.00	4 1/2%	6,000,000.00	1,243,605.65	37,755.28	750,000.00	1,243,605.65
July 1, 1926	July 1, 1956	546,000.00	4 1/2%	546,000.00	.....	.....	4,756,394.35	.....
Less: Total Sinking Funds		\$86,894,665.62		\$63,676,083.71	\$23,218,581.91	\$ 854,955.08	\$62,105,980.49	\$22,363,626.83
Total Net Bonded Debt, Dec. 31, 1926		\$84,469,607.32						

Certified correct,

JAMES C. THOMPSON, C.A., Provincial Auditor.

STATEMENT No. 3A.

GOVERNMENT OF THE PROVINCE OF ALBERTA

DETAILS OF STOCK AND DEBENTURE ISSUES
OUTSTANDING DECEMBER 31, 1926

Maturity.	Authority (Chapter)	Rate %	Where payable	Amount outstanding
REGISTERED STOCK:				
Nov. 1, 1942	21, 1911-12	4	L.	\$ 56,940.00
Nov. 1, 1943	21, 1913	4½	L.	3,265,961.60
DEBENTURES:				
June 1, 1938	14, 1908	4	M., T., E., L.	2,000,200.00
Nov. 1, 1943	21, 1913	4½	M., T., E.	133,333.34
June 1, 1928	2, 1917	6	M., T., E., N.Y., L.	825,000.00
Jan. 1, 1939	2, 1918	5½	M., T., E., N.Y.	1,000,000.00
Dec. 15, 1929	2, 1919	5½	M., T., E., N.Y.	3,000,000.00
May 1, 1930	2, 1919	6	M., T., E.	1,000,000.00
Aug. 16, 1930	2, 1920	6	M., T., E., N.Y.	2,000,000.00
Nov. 1, 1930	2, 1920	6	M., T., E., N.Y.	1,000,000.00
Jan. 15, 1936	2 & 6, 1920	6	M., T., E.	2,000,000.00
April 1, 1936	2, 1921	6	M., T., E.	3,200,000.00
May 1, 1931	2, 1921	6	M., T., E.	1,000,000.00
Sept. 1, 1931	54, 1921	6	M., T., E., N.Y.	2,100,000.00
Sept. 1, 1941	55, 56, 64, 1921	6	M., T., E.	2,250,000.00
Oct. 1, 1941	2, 1921	6	M., T., E.	1,800,000.00
Oct. 1, 1941	65, 1921	6	M., T., E.	1,053,230.68
Nov. 1, 1936	2, 1921	6	M., T., E.	1,250,000.00
Dec. 1, 1941	42, R.S.A.	6	M., T., E., N.Y.	700,000.00
Jan. 1, 1947	3, 1921	5½	M., T., E., N.Y.	3,846,000.00
April 1, 1952	2, 1922	5½	M., T., E., N.Y.	3,000,000.00
July 1, 1927	2, 1922	5½	M., T., E., N.Y.	3,500,000.00
July 1, 1927	42, R.S.A.	5½	M., T., E., N.Y.	2,000,000.00
Sept. 15, 1942	42, R.S.A.	5	M., T., E., N.Y.	2,948,000.00
Jan. 1, 1948	2 & 3, 1922	5	M., T., E., N.Y.	4,800,000.00
April 1, 1943	42, R.S.A.	5	M., T., E., N.Y.	3,500,000.00
July 1, 1943	42, R.S.A.	5	M., T., E., L.	2,000,000.00
Nov. 1, 1928-33	42, R.S.A.	5½	M., T., E., N.Y.	6,000,000.00
Jan. 15, 1939	3 & 4, 1923	5	M., T., E., N.Y.	2,500,000.00
Feb. 15, 1940 }	{ 56, R.S.A.	5	M., T., E., W., V.	2,000,000.00
Feb. 15, 1974 }	{ & 15, 1924	5	E.	500,000.00
June 1, 1939	30, 1924	5	M., T., E.	750,000.00
Oct. 15, 1954	2, 1924	4½	M., T., E., W., Vic.	1,000,000.00
April 15, 1950	42, R.S.A.	5	M., T., E., N.Y.	3,740,000.00
June 15, 1975	53, 1925	5	E., Vic.	130,000.00
July 15, 1955	42, R.S.A.	5	M., T., E., N.Y.	500,000.00
June 15, 1945	2, 1924	4½	M., T., E., N.Y.	2,250,000.00
Feb. 15, 1940	30, 1924	5	M., T., E., Vic.	750,000.00
July 15, 1941	30, 1924	4½	M., T., E., N.Y., L.	750,000.00
Jan. 15, 1946	{ 2, 1925	4½	M., T., E., N.Y., L.	3,750,000.00
	{ & 42, R.S.A.			
Oct. 1, 1956	{ 2, 1926	4½	M., T., E., N.Y.	6,000,000.00
	{ & 42, R.S.A.			
July 1, 1966	42, R.S.A.	4½	M., T., E., N.Y.	546,000.00
July 15, 1974	42, R.S.A.	5	E.	250,000.00
Sept. 1, 1939	42, R.S.A.	5	E.	250,000.00

Abbreviations: M., Montreal; T., Toronto; E., Edmonton; L., London, Eng.; N.Y., New York; W., Winnipeg; V., Vancouver; Vic., Victoria.

At all Canadian points debentures and stocks are redeemable, as to principal and interest, at the Imperial Bank of Canada; in New York at the Bank of Manhattan Company; and in London, England, at Lloyds Bank.

STATEMENT No. 4.

GOVERNMENT OF THE PROVINCE OF ALBERTA

SINKING FUND BALANCE SHEET AS AT DECEMBER 31, 1926
ASSETS.

Province of Alberta Debentures	General Revenue		Alberta Government Telephones		Total
	Par Value	Book Value	Par Value	Book Value	Book Value
June 1, 1928	\$ 300.00	\$ 303.57			\$ 303.57
May 1, 1930	127,300.00	130,423.61			130,423.61
Aug. 16, 1930	10,000.00	10,232.54			10,232.54
May 1, 1931	74,400.00	76,524.92	\$ 3,500.00	\$ 3,631.85	80,156.77
Sept. 1, 1931	19,000.00	19,598.89			19,598.89
Jan. 15, 1936	205,500.00	214,420.43	74,000.00	79,312.24	293,732.67
April 1, 1936	284,000.00	297,632.58	144,500.00	151,630.31	449,262.89
Nov. 1, 1936	288,000.00	302,969.17	51,000.00	54,507.89	357,477.06
June 1, 1939	19,500.00	19,369.61			19,369.61
June 1, 1938			233,113.31	202,193.49	202,193.49
Feb. 15, 1940	58,500.00	58,116.69			58,116.69
Sept. 1, 1941	253,500.00	269,841.48			269,841.48
Oct. 1, 1941			170,500.00	180,809.61	180,809.61
Oct. 1, 1941			112,230.68	118,876.27	118,876.27
Dec. 1, 1941	17,000.00	18,114.55			18,114.55
July 1, 1943	25,000.00	24,825.78			24,825.78
Nov. 1, 1943	80,000.00	80,000.00	53,333.34	53,333.34	133,333.34
Jan. 1, 1947	23,000.00	23,936.13			23,936.13
	<u>\$1,485,000.00</u>	<u>\$1,546,309.95</u>	<u>\$ 842,177.33</u>	<u>\$ 844,295.00</u>	<u>\$2,390,604.95</u>
Accrued Interest, Dec. 31, 1926		23,605.37		10,165.23	33,770.60
Cash in Bank		187.90		494.85	682.75
		<u>\$1,570,103.22</u>		<u>\$ 854,955.08</u>	<u>\$2,425,058.30</u>

LIABILITIES

Reserve:			
Contributed by Revenue	\$1,137,816.81	\$ 854,955.08	\$1,992,771.89
Contributed by Alberta Co-Operative Elevator repayments	432,286.41		432,286.41
	<u>\$1,570,103.22</u>	<u>\$ 854,955.08</u>	<u>\$2,425,058.30</u>

Certified correct,

JAMES C. THOMPSON, C.A.,

Provincial Auditor.

STATEMENT No. 5

GOVERNMENT OF THE PROVINCE OF ALBERTA

CONTINGENT LIABILITIES

RAILWAY BONDS GUARANTEED BY PROVINCE:

Edmonton, Dunvegan & British Columbia

Railway	\$9,420,000.00	
Alberta & Great Waterways Railway Co....	7,400,000.00	
Lacombe & North Western Railway Co....	273,700.00	
		\$17,093,700.00

IRRIGATION DISTRICTS:

Lethbridge Northern Irrigation District....	\$5,400,000.00	
United Irrigation District.....	550,000.00	
New West Irrigation District.....	209,500.00	
Little Bow Irrigation District.....	26,000.00	
		6,185,500.00

UNIVERSITY OF ALBERTA..... 450,000.00

DRAINAGE DISTRICTS:

Holden Drainage District.....	\$ 180,000.00	
Daysland Drainage District.....	259,050.00	
Viking Drainage District.....	33,825.00	
Dickson Drainage District.....	43,700.00	
Hay Lake Drainage District.....	38,000.00	
		554,575.00

OTHER GUARANTEES:

Livestock Encouragement	\$ 669,625.12	
Hail Insurance	5,000.00	
Co-operative Credit Act.....	454,287.62	
		1,128,912.74

*\$25,412,687.74

*This amount excludes:

- (1) Guarantees on C.N. Ry., C.N.W. Ry., and G.T.P. Branch Lines (operated by the Government of the Dominion of Canada under Canadian National Railway) amounting to \$22,539,957.97
- (2) Unguaranteed Debentures issued by the University of Alberta Hospital to City of Edmonton for purchase of Hospital building 150,000.00

STATEMENT No. 6.

GOVERNMENT OF THE PROVINCE OF ALBERTA

SUMMARIZED COMPARATIVE STATEMENT OF ESTIMATED
AND ACTUAL REVENUE AND EXPENDITURE

INCOME ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1926

	Actual.	Estimates	Less than Estimates.	In excess of Estimates.
REVENUE:				
Dominion of Canada	\$ 2,389,001.36	\$ 2,299,435.00		\$ 89,566.36
Agriculture Dept.	300,189.29	351,870.00	\$ 51,680.71	
Attorney General's Dept.	3,168,864.84	3,065,160.00		103,704.84
Education Dept.	234,592.94	209,760.00		24,832.94
Executive Council	302,193.04	298,420.00		3,773.04
Legislation	1,239.23	2,000.00	760.77	
Municipal Affairs Dept.	1,999,246.37	2,176,500.00	177,253.63	
Prov. Secretary's Dept.	2,690,679.54	2,516,785.19		173,894.35
Public Health Dept.	232,369.92	255,840.00	23,470.08	
Public Works Dept.	107,025.07	131,250.00	24,224.93	
Railways & Telephones Dept., Railways Branch	1,234.39	1,500.00	265.61	
Treasury Dept.	485,492.28	391,332.20		94,160.08
	<u>\$11,912,128.27</u>	<u>\$11,699,852.39</u>		<u>\$ 212,275.88</u> <u>(Net)</u>
EXPENDITURE:				
Public Debt	\$ 4,236,337.19	\$ 4,082,271.54		\$ 154,065.65
Executive Council	384,440.15	370,045.00		14,395.15
Legislation	174,899.25	181,906.66	\$ 7,007.41	
Agriculture Dept.	610,752.43	600,170.50		10,581.93
Attorney General's Dept.	1,489,349.80	1,443,188.25		46,161.55
Education Dept.	2,101,946.75	2,121,652.00	19,705.25	
Municipal Affairs Dept.	211,991.29	228,840.00	16,848.71	
Prov. Secretary's Dept.	54,912.34	54,875.00		37.34
Public Health Dept.	929,191.27	924,304.00		4,887.27
Public Works Dept.	1,411,461.81	1,376,328.20		35,136.61
Railways & Telephones Dept., Railways Branch	45,273.88	45,198.00		75.88
Treasury Dept.	243,768.58	249,083.78	5,315.20	
	<u>\$11,894,327.74</u>	<u>\$11,677,862.93</u>		<u>\$ 216,464.81</u> <u>(Net)</u>
SURPLUS for the year				
1926	<u>\$ 17,800.53</u>	<u>\$ 21,989.46</u>	<u>\$ 4,188.93</u>	

Certified correct,

JAMES C. THOMPSON, C.A.,

Provincial Auditor.

GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF AGRICULTURAL PRODUCTION, 1925-1926

Publicity and Statistics Branch, Department of Agriculture, Edmonton, Alberta

1925										1926									
Acreage	Yield Per Acre	Total Yield	Price	Value	FIELD CROPS	Acreage	Yield Per Acre	Total Yield	Price	Value	Acreage	Yield Per Acre	Total Yield	Price	Value				
	Bus.	Bus.					Bus.	Bus.				Bus.	Bus.						
5,687,449	18	102,374,082	\$1.12	\$114,658,971.84	... Spring Wheat ...	6,057,000	18½	112,047,000	\$1.05	\$117,649,350.00									
32,300	18	581,400	1.12	651,168.00	... Winter Wheat ...	58,000	18½	1,073,000	1.05	1,126,650.00									
5,719,749	18	102,955,482	1.12	\$115,310,139.84	..... All Wheat	6,115,000	18½	113,120,000	1.05	\$118,776,000.00									
2,397,200	31	74,313,200	.35	26,009,620.00	..... Oats	1,907,000	30	57,210,000	.38	21,739,800.00									
552,727	25	13,818,175	.43	5,941,815.25	..... Barley	405,000	22	8,910,000	.42	3,742,200.00									
133,398	12	1,600,736	.65	1,040,478.40	..... Rye	112,000	12	1,344,000	.68	913,920.00									
5,000	7	35,000	1.75	61,250.00	..... Flax	11,700	7	81,900	1.50	122,850.00									
15,026	25	375,650	.35	131,477.50	..... Mixed Grains	15,700	30	471,000	.60	282,600.00									
1,683	15	25,245	1.50	37,867.50	..... Peas	1,000	15	15,000	1.50	22,500.00									
332	12	3,984	2.25	8,964.00	..... Beans	410	15	6,000	2.25	13,500.00									
8,825,115		193,127,472		\$148,541,612.49	.. Total Field Crops ..	8,567,810		181,157,900		\$145,613,370.00									
ROOT CROPS																			
32,359	100	3,235,900	\$1.00	\$ 3,235,900.00	..... Potatoes	32,550	91	2,962,050	\$1.31	\$ 3,880,285.50									
8,555	143.3	1,226,000	1.31	1,606,000.00	Turnips, Mangolds, etc.	8,600	130	1,118,000	1.81	2,023,580.00									
5,400	7.65	41,400	5.75	238,050.00	..... Sugar Beets	5,100	6.25	37,300	6.25	233,125.00									
46,314				\$ 5,079,950.00	.. Total Root Crops ..	46,250				\$6,136,990.50									
FODDER CROPS																			
1,432,382	3	4,297,146	\$ 9.00	\$ 38,674,314.00	..... Green Feed	1,850,000	2½	4,625,000	\$10.00	\$ 46,250,000.00									
258,471	1½	387,706	12.00	4,652,472.00	.. Hay and Clover ..	278,700	1½	487,725	11.00	5,364,975.00									
48,995	3	146,985	15.00	2,204,775.00	..... Alfalfa	52,700	2½	131,750	14.50	1,910,375.00									
73,700	4½	331,650	3.00	994,950.00	..... Fodder Corn	50,000	4½	225,000	5.00	1,125,000.00									
16,137	10	160,137	2.50	400,342.50	..... Sunflowers	17,000	10	170,000	2.50	425,000.00									
1,829,685		5,323,624		\$ 46,926,853.50	.. Total Fodder Crops ..	2,248,400		5,639,475		\$ 55,075,350.00									

